

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : **DATE FILED:** _____
v. : **CRIMINAL NO.** _____
KAPIL WADEHRA : **VIOLATIONS:**
18 U.S.C. § 1341 (mail fraud - 2 counts)
26 U.S.C. § 7206(1) (filing false tax
return - 2 counts)

INFORMATION

COUNTS ONE AND TWO

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times relevant to this information:

1. Defendant KAPIL WADEHRA was employed by Quest Diagnostics, Inc., (“Quest”), and its predecessor, SmithKline Beecham, was the supervisor of instrumentation of the Bio-Technology Unit at Quest’s Bio-Medical Engineering Lab located at 400 Egypt Road, Norristown, Pennsylvania, and was responsible for the purchase and repair of all equipment used in the lab.

THE SCHEME

2. From in or about June 1997 through in or about March 2001, defendant

KAPIL WADEHRA

devised and intended to devise a scheme to defraud Quest, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

It was part of the scheme that:

2. Defendant KAPIL WADEHRA recruited other persons known to the United States Attorney (hereinafter referred to as WADEHRA's "associates") to submit to Quest, through companies established solely for the purpose of billing Quest, or pre-existing companies that had a previous business relationship with Quest, invoices for goods and services that WADEHRA allegedly provided to Quest.

3. Defendant KAPIL WADEHRA gave his associates the information to be included on the invoices, including a description of the goods and services and the corresponding prices.

4. Defendant KAPIL WADEHRA ordered or directed his associates to order equipment from various vendors, and deliver the goods to Quest through the companies established for this purpose, and charged Quest grossly-inflated prices for the goods and services provided, with an average mark-up of 100% to 200%.

5. Defendant KAPIL WADEHRA instructed his associates to forward the fraudulent invoices to his attention, and authorized payment of the invoices, which payments were sent to the various fictitious companies via the U.S. mail.

6. Defendant KAPIL WADEHRA instructed his associates to establish bank accounts in the newly-created company names, and to deposit the checks received from Quest into these accounts, and to pay to him the bulk of the proceeds either in cash or by checks made payable to him or third parties.

7. Defendant KAPIL WADEHRA billed Quest approximately \$800,000 through this scheme, but delivered goods and services with a fair market value of only \$200,000, causing Quest to sustain a loss of approximately \$590,000 in connection with this scheme.

8. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

KAPIL WADEHRA,

for the purpose of executing this scheme, and attempting to do so, knowingly caused to be delivered by the U.S. mail, according to the directions thereon, checks in the following amounts, representing payment for goods and services allegedly provided by independent companies, when in fact they were provided by WADEHRA or his associates at grossly inflated prices, from the Quest office located in Collegeville, Pennsylvania, to the addresses listed below:

| Count | Date | Payee | Amount | Address |
|-------|--------|-------------------|------------|--|
| 1 | 2/2/01 | J & K Associates | \$1,436.61 | 934 Sheep Hill Road Pottstown, PA 19465 |
| 2 | 2/8/01 | Apex Technologies | \$1,568.80 | PO Box 2760 Warren Point Station Fair Lawn, NJ 07410 |

All in violation of Title 18, United States Code, Section 1341.

COUNT THREE

THE UNITED STATES ATTORNEY FUTHER CHARGES THAT:

1. Paragraph 1 of Count One is realleged here.
2. On or about April 12, 2000, in North Wales, in the Eastern District of Pennsylvania, and elsewhere, defendant

KAPIL WADEHRA

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 1999, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant KAPIL WADEHRA did not believe to be true and correct as to every material matter, in that the return reported that his taxable income was \$43,127.00, when, as defendant KAPIL WADEHRA knew, his true taxable income was \$101,414.98.

In violation of Title 26, United States Code, Section 7206(1).

COUNT FOUR

THE UNITED STATES ATTORNEY FUTHER CHARGES THAT:

1. Paragraph 1 of Count One is realleged here.
2. On or about April 9, 2001, in North Wales, in the Eastern District of Pennsylvania, and elsewhere, defendant

KAPIL WADEHRA

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2000, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant KAPIL WADEHRA did not believe to be true and correct as to every material matter, in that the return reported that his taxable income was \$109,307.00, when, as defendant KAPIL WADEHRA knew, his true taxable income was \$154,582.00.

In violation of Title 26, United States Code, Section 7206(1).

PATRICK L MEEHAN
United States Attorney